GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:897
ANSWERED ON:01.08.2006
SALE OF KHADI CLOTHES BY KVI
Joshi Shri Pralhad Venkatesh

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): the total bulk of the Khadi cloth produced by the Khadi and Village Industry during each of the last three years in the country, State-wise;

(b): the total of the produce remained unsold during the above period and loss suffered by this sector;

(c): whether the Government has taken any action to recover the loss of KVIs;

(d): if so, the details thereof; and

(e): if not, the reasons therefor?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): State-wise value of production of khadi during 2002-03, 2003- 04 and 2004-05 are given in the Annexure enclosed.

(b)to(e): The value of unsold stock of khadi as on 01.04.2005 was approximately Rs. 450 crore. The production and sales of khadi are carried out by khadi institutions which are autonomous bodies (non-Governmental Organisations) generally registered as societies. The profit and loss by these institutions are managed by them through their own resources only.

In order to promote the production and sales of khadi in the country with a view to making the institutions move viable, the following steps have been taken:

(i) Credit at the concessional rate of interest of 4 per cent per annum is provided by banks as per the assessed requirement of the institutions registered with the Khadi and Village Industries Commission (KVIC)/State Khadi and Village Industries Boards (KVIBs) under the Interest Subsidy Eligibility Certificate (ISEC) Scheme.

(ii) Higher provision of funds for payment of rebate on sales of khadi.

(iii) Assistance for improved design and packaging of khadi garments under the Product Development, Design Intervention and Packaging (PRODIP) Scheme, implemented by the KVIC since 2002-03.

(iv) Assistance to khadi institutions to participate in exhibitions at the national and sub-national levels, etc., for improving marketing of products.

Further, the Government has recently introduced the `Scheme of Fund for Regeneration of Traditional Industries` (SFURTI) for implementation in khadi, village and coir industry clusters. The scheme envisages assistance for improvement in productivity of khadi spinners and weavers, setting up common facility centres (CFCs) to convert khadi fabrics into ready-to-wear khadi products, development of new designs for fabric and garments, market promotion and undertaking activities such as exposure visits to other clusters and institutions, need-based training, skill upgradation of khadi artisans, etc.